

By: Head of Democratic Services
To: Cabinet Scrutiny Committee – 28 June 2006
Subject: FORWARD PLAN OF KEY DECISIONS
Classification: Unrestricted

FOR DECISION

Introduction

1.1 At its meeting on 3 May (Minute 71) the Committee asked for the operation of the Forward Plan to be reviewed and for a further report to be made to this meeting. The Committee asked that the review should explore the following issues:

- (a) giving greater clarity to the definition of Key Decision used by the County Council;
- (b) including in the Forward Plan particularly important decisions which fall outside the legal definition of 'Key Decision';
- (c) providing a meaningful summary of each item included in the Forward Plan;
- (d) making the latest edition of the Forward Plan a standing item on Cabinet Scrutiny Committee agendas.

Greater Clarity

2.1 Neighbouring authorities have been consulted about how they define a Key Decision. All use the same basic statutory definition that KCC does, although the financial limit varies. Three counties (including Kent) include guidance about who is authorised to make a judgement about whether or not a matter is a "Key Decision". Consequently, it is recommended that no change should be made to the definition. However, there are a number of ways in which KCC could usefully give greater clarity, if not to the definition, then to the interpretation of the definition, of 'Key Decision', as follows:

- (a) the statutory definition of a 'Key Decision' refers to decisions that have a significant impact on two or more electoral divisions, although the Government guidance says that this rule should not be rigidly applied. However, the Constitution gives mixed messages about this: in places referring to the two electoral division rule, but in others making it clear that a 'Key Decision' can relate to only one electoral division. In practice, Democratic

Services staff always advise that a decision should be treated as a Key Decision if it has a significant impact even in only one electoral division. **The Committee may wish to recommend that the Constitution should be amended so that it consistently states that a decision should be treated as a Key Decision if it has a significant impact on one or more electoral divisions;**

- (b) Appendix 2 Part 4 of the Constitution (Leader and Cabinet) already contains some relatively high-level examples of Key Decisions. The officer guidance contains more detailed examples as follows:

“Examples of decisions which should be regarded as Key Decisions because they are likely to have a “significant” effect either in financial terms or on KCC’s services to the community include:

- (i) Decisions about expenditure or savings over £500,000 which are not provided for within the approved budget or medium term financial plan.
- (ii) Adoption of major new policies or changes to established policies.
- (iii) Approval of business plans.
- (iv) Decisions that involve significant service developments, significant service reductions, or significant changes in the way that services are delivered, whether County-wide or in a particular locality. Examples of such proposals are closure of a school, approval of a major project (such as a highway scheme) or programme of works, major changes in the eligibility criteria for provision of a service, major changes in the fees charged for a service, or proposals that would result in a service currently provided in-house being outsourced.
- (v) Proposals where the consequences are likely to result in compulsory redundancies or major changes in the terms and conditions of employment of a significant number of employees in any of the Council’s functions.”

The Committee may wish to recommend that the detailed examples of Key Decisions contained in the officer guidance should be incorporated in Appendix 2 Part 4 of the Constitution;

- (c) At present, different parts of the definition of 'Key Decision' appear in different sections of the Constitution. It would help if the references were rationalised. **The Committee might wish to recommend that all references to the definition of Key Decision should appear in one section of the Constitution.**

Inclusion of Non-Key Decisions

3.1 The Forward Plan has to include all Key Decisions but there is no bar, either in the law or in the Council's Constitution, to it including other significant (but non-Key) decisions.

3.2 There are a number of reasons why it would be impractical to include all forthcoming decisions in the Forward Plan, for example:

- (a) it could needlessly delay decisions being made on relatively minor matters;
- (b) it would make the Forward Plan unwieldy and make it difficult to distinguish between decisions with a significant impact and those without;
- (c) additional staff resources would be required for the preparation of the Forward Plan each month.

3.3 However, **the Committee may wish to recommend to the Chief Officers' Group that Directorates be encouraged to use the Forward Plan to give advance notice of the more significant (but non-Key) decisions.**

Summaries

4.1 The Forward Plan is not fulfilling its purpose if the summary of each forthcoming Key Decision is not meaningful. Democratic Services staff already do what they can to ensure that meaningful summaries are provided by Directorates and this will be continued. **In addition, the Committee may wish to draw its concerns to the Chief Officers' Group about the lack of meaningful summaries provided by Directorates.**

Standing Item on Cabinet Scrutiny Committee Agenda

5.1 It is entirely for the Committee to decide whether the latest edition of the Forward Plan should be made a standing item on the Committee's agenda for each meeting. It may help the Committee to know that the process of preparing the agenda for each meeting of the Committee starts with an agenda-planning meeting involving the Chairman and the Conservative and Liberal Democrat Spokesmen. The agenda-planning meeting always includes consideration of the latest edition of the Forward Plan and of the agenda for the forthcoming Cabinet meeting. Thus, items in the Forward Plan are automatically considered for consideration at every meeting of the Committee.

General

6.1 One of the reasons why the question of the Forward Plan was placed on the Committee's agenda on 3 May was because the Chairman and Spokesmen had noticed a significant reduction in the number of Key Decisions included in recent Forward Plans.

6.2 There is no evidence that Key Decisions are being deliberately omitted from the Forward Plan, but it is possible that officers working on a particular issue fail to realise early enough – or indeed at all – that the decision on the issue will fall within the definition of a “Key Decision”. Democratic Services has taken a number of initiatives to try to ensure that the decision-making process (of which the Forward Plan is a part) is well understood within Directorates. For example, updated guidance was circulated to all senior managers last summer, and is published on Knet; tailor-made presentations are given by the Democratic Services Manager (Executive) to Directorate and Unit Management Teams and other groups of staff involved in decision-making; and references to the guidance are now included in the induction packs given to new staff.

6.3 However, there is clearly a need to regularly remind all relevant staff of the rules relating to decision-making, and the Committee's interest in the Forward Plan offers a further opportunity to do just that. **The Committee may wish to draw to the attention of the Chief Officers' Group the importance of reminding relevant staff of the need not only to identify all Key Decisions, but to do so far enough in advance to allow them to be included in the Forward Plan for the full four months before they are expected to be taken..**

RECOMMENDATION

7.1 The Committee is invited to consider the issues raised in this report and to make recommendations to the Cabinet and Chief Officers' Group as appropriate.

S C Ballard
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Background Documents: E-mail exchanges with neighbouring local authorities headed “Definition of Key Decision”